

EXCLUSIVITY AGREEMENT

This Exclusivity Agreement (this “**Agreement**”) is made and entered into this 20th day of March, 2009, by and between _____, individually (“**A**”) and ____ (“**B**”).

WHEREAS, B is interested in selling to A a 75% working interest in the [project] (the “**Working Interest**”); and

WHEREAS, A, either individually or through a to-be-formed entity, is considering the purchase of the Working Interest subject to, among other things, A completing a satisfactory due diligence review and to the negotiation and execution of a mutually agreeable and binding definitive agreement(s);

NOW, THEREFORE, in light of the foregoing mutual premises, \$1,000 cash and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, A and B, intending to be legally bound, agree as follows:

1. Beginning on the date of this Agreement and ending on the Termination Date (as defined below) (such period, the “**Term**”), A shall have the exclusive right to perform due diligence with regard to the Working Interest and to negotiate with B regarding the sale of the Working Interest. B agrees that during the Term it shall not, and shall cause its affiliates, directors, officers, employees, agents and representatives not to, discuss, solicit any discussion of or enter into any agreement regarding a proposed sale, merger or other business combination involving the Working Interest with, or provide any of the documentation with regard to the Working Interest to, any other person or entity. B agrees that during the Term it will immediately notify A of the receipt of any inquiry, proposal or offer relating to a transaction involving the Working Interest. B agrees that during the Term they will cooperate fully with A and its advisors in connection with the performance of its due diligence review, including by providing A and its advisors with access to B management, key personnel, books and records, agreements, licenses and any other information that A reasonably may request. The “**Termination Date**” shall be 15 days after the date of this Agreement.
2. During the Term, the parties shall negotiate in good faith for a reasonable period of time a definitive purchase and sale agreement and other related transaction documentation, including operating and other agreements.
3. The existence and contents of this Agreement, as well as the identities of the parties, are intended to be confidential and are not to be discussed with or disclosed to any person or entity, except (i) with the prior written consent of the other party, (ii) as required to comply with applicable law, order or regulation or (iii) as A reasonably deems appropriate in order to conduct due diligence relating to the proposed transaction. Any public announcement or similar publicity with respect to the terms of this Agreement or any transaction involving the Assets will be issued, if at all, at such time and in such manner as the parties shall mutually

determine. Notwithstanding the foregoing, both parties shall be entitled to inform their respective investors and advisors of the existence and contents of this Agreement if such investors and advisors agree to maintain the confidentiality of such information.

4. This Agreement may not be amended or modified except by a written agreement executed by the parties.
5. This Agreement shall terminate at the end of the Term, following which the parties shall have no further obligations to each other under this Agreement except as provided in paragraph 3, which shall survive the termination of this Agreement.
6. No party may assign any of its rights under this Agreement without the prior written consent of the other party, which consent may be withheld in the sole and absolute discretion of such party.
7. THIS AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS OTHERWISE APPLICABLE TO SUCH DETERMINATIONS. The parties consent to exclusive venue of and personal and subject matter jurisdiction in the district courts of Harris County, Texas in connection with any dispute relating to or arising out of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

A

B
